(c) The steps taken by the Government of curb circulation of FICN in the country include stepping up of vigilance by the Border Security Force and Custom authorities to prevent smuggling of fake notes; dissemination of information on security features through print and electronic media and formation of Forged Note Vigilance Cells in all the Head Offices of the banks. Additional security features have also been incorporated in the banks notes in 2005 to make counterfeiting very difficult. A High Level Committee headed by the Union Home Secretary comprising officials from central agencies and other senior police officials has been constituted to monitor and draw a comprehensive strategy to combat FICN. Similar bodies have also been set up in the States. In addition, Government of India have nominated the Central Bureau of Investigation as the Nodal Agency to monitor investigation of fake currency note cases. The RBI has also strengthened the mechanism for detection of counterfeit notes by the Banks.

Simplification of laws relating to direct taxes

3411. SHRI BHAGAT SINGH KOSHYARI: Will the Minister of FINANCE be pleased to state:

(a) whether Government constituted an expert group with the objective of simplifying laws relating to direct taxes;

(b) if so, the reasons therefor;

(c) whether the expert group has submitted its report;

(d) if so, the details of recommendations made by the expert group and whether the recommendations have been implemented;

(e) if not, the reasons therefor;

(f) whether there is any proposal to amend direct tax laws to reduce mounting arrears of direct and indirect tax revenues; and

(g) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) The present Income-tax Act is voluminous and complex to understand by a common man. The complicated procedure often encourages tax evasion and avoidance. Therefore, with a view to simplify the existing Income-tax Act, the Government has constituted an expert group.

(c) Yes, Sir. The Group has submitted its report on 08.09.2006.

(d) and (e) Based on the recommendation of expert group, a new Direct Tax Code is under preparation and as announced by the Finance Minister in his Budget Speech, the same would be released for public discussion latest by 20th of August, 2009.

(f) No, Sir.

(g) Does not arise.